

MINUTES
MICHIGAN STATE TRANSPORTATION COMMISSION MEETING
May 27, 2004
Lansing, Michigan

Meeting noticed in accordance with Open Meetings Act, Public Act 267 of 1976.

Present: Ted Wahby, Chairman
 Betty Jean Awrey, Vice Chairwoman
 Robert Bender, Commissioner
 John Garside, Commissioner
 Linda Miller Atkinson, Commissioner
 Vincent J. Brennan, Commissioner

Also Present: Gloria J. Jeff, Director
 Kirk Steudle, Chief Deputy Director
 Frank E. Kelley, Commission Advisor
 Marneta Griffin, Executive Assistant
 Jerry Jones, Commission Auditor
 Raymond Howd, Assistant Attorney General's Office
 Leon Hank, Chief Administrative Officer
 Myron Frierson, Jr., Contract Services
 John Friend, Bureau of Highway Delivery
 Ben Kohrman, Director, Office of Communications
 Rob Abent, Multi-Modal Transportation
 Jackie Shinn, Economic Development
 Susan Mortel, Transportation Planning

Excused: Patrick Isom, Assistant Attorney General

A list of those people who attended the meeting is attached to the official minutes.

Chairman Wahby called the meeting to order at 9:10 a.m. in the Bureau of Aeronautics Auditorium in Lansing, Michigan.

I. APPOINTMENT

Chairman Wahby entertained a motion to approve the nomination of Commissioner Awrey as the Vice-Chairperson to the State Transportation Commission. Moved by Commissioner Atkinson, with support from Commissioner Garside. Motion carried on a unanimous voice vote.

II. COMMISSION BUSINESS

Commission Minutes

Chairman entertained a motion for approval of the minutes of the State Transportation Commission meeting of April 29, 2004.

Moved by Commissioner Garside, with support from Commissioner Bender, to approve the minutes of the Commission meeting of April 29, 2004. MOTION CARRIED.

III. **DIRECTOR'S REPORT – DIRECTOR GLORIA J. JEFF**

Director Jeff brought greetings from the National meeting of the Women in Transportation Seminar, hosted by the Michigan Chapter in Detroit. The event kicked off on Wednesday evening, May 26th, with a Motown Revue put on by students from Cass Technical High School.

The Director's PowerPoint presentation focused on:

MDOT's response to SB I-75 flooding: Just south of West Branch, employees from the Bay Region responded for pavement removal and excavating due to flooding and eroded slopes. This area has been repaved with asphalt. All of the work was accomplished in just over 24 hours. MDOT conducted an inspection of the situation, called a local contractor working in the area to remove the pavement, worked with Arenac County to conduct fill and gravel, took four bids for paving and awarded the project the same day. MDOT has set up a contract to fix the culvert bottom through lining the inside of the culvert or replacing the culvert with next year's project.

Pending Legislation:

HB 5528: Section 109 was added. It calls for a reduction of 126 FTEs and would eliminate the ability to increase consultant utilization in the event of more federal funding or special project requirements; another component is Section 727 which limits states' ability to support the basic needs of SE Michigan transit users.

HB 5762, SB 1147: These bills require legislative approval of the Five-Year Program, nullifies the MPO/MDOT partnership required for federal funding, and moves the decision-making away from cities, counties, villages, and townships, to the legislature solely.

Legislative approval of the Five-Year Program jeopardizes federal funding: The Five-Year Program is a key component of the federally required cooperative planning process. Federal law requires MDOT to develop a Statewide Transportation Improvement Program (STIP—which constitutes 3 years of the Five-Year Program) for all areas of the state and to conduct public hearings. Projects in the Five-Year Program receive extensive local review and public hearings and provide the foundation for the STIP. The portion of the STIP in urbanized areas of the state must be developed cooperatively by local units of government and transportation providers, and must be federally approved.

SB 1168: Requires legislative approval for bonding of projects. Today the process is that the Commission approves the list of projects to be bonded for, while we provide the legislature with a list of those projects as an informational item as we are proceeding with the other activities. The difficulty is that the legislature could very easily become involved in its own priorities and would not move in a rapid fashion in responding to the need for bonding. This may also jeopardize our tax-exempt status of bonds, and

potentially cause possible constitutional issues.

Splitting the Penny: Administration recommends that one-half of one cent of the state gasoline tax be redirected from state trunklines to allow local investment in bridges that are in dire need of repair and rehabilitation. Splitting the penny fulfills the promise that the Governor made as part of her campaign to improve local bridges in need of repair.

SB 1103: Would eliminate sales tax earmarked for the Comprehensive Transportation Fund (CTF)—this represents about \$70-\$80 million in annual funding. It would severely reduce funding for public transit, intercity bus service and passenger rail. In some instances, for example in Grand Rapids, there would be a 45% reduction in the funding made available to it. Because of the way the bill is structured, the Bay Metro transit system would be zeroed out completely from receiving any state funding under the use of the formula proposed in this particular bill. Also, with this bill, MDOT could not meet Act-51 obligations.

Director Jeff asked if there were questions thus far; none were forthcoming.

Federal Reauthorization:

Conference Committee: The extension keeps funds flowing until June 30th with yet another extension likely to be granted. There continues to be a political standoff in Congress in the context of the Senate conferees have been named, we are still waiting for the House to name their conferees, but their first meeting is not expected until June (Congress is currently on Memorial Day recess). The Senate conferees includes substantial representation from across the country, however it does not include anyone from Michigan.

Reauthorization Proposals: For the national six-year investment (contract authority), the Bush Administration (SAFETEA) proposes \$251 billion, the House (HR 3550) proposes \$283 billion, and the Senate (S1072) proposes \$318 billion. For highways (six-year obligation limitation) the Bush Administration proposes \$202 billion, the House proposes \$216 billion, and the Senate proposes \$233 billion. On the transit side, the Bush Administration proposes \$43.6 billion, the House proposes \$51.5 billion, and the Senate proposes \$56.5 billion. The Senate proposal is the version that Michigan is hoping to get.

What This Means for Michigan: Under the Bush Administration it would be \$5.25 billion for highway investment (\$250 million less than what we received under TEA-21), a significant increase of \$606 million in funding for transit investment (increase of \$167 million compared to what we received under TEA-21). The House proposal would give \$6.17 billion for highway investment (an increase of \$670 million compared to what was received under TEA-21), \$627 million for transit investment (increase of \$188 million compared to TEA-21). The Senate proposal amounts to \$7.4 billion for highway investment (increase of \$1.9 billion compared to TEA-21), and \$656 million for transit investment (increase of \$217 million compared to TEA-21).

Comparison with the Five-Year Program: Under the Bush Administration we would be down \$50 million a year from what we projected under the current five-year program. On the House side we would be up about \$67 million on an annual basis, and on the

Senate side we would be up about \$217 million.

Director Jeff asked for questions.

Commissioner Garside asked the Director where she thought this would settle out.

Director Jeff responded that she envisioned it to be somewhere around \$300 billion over the six years--somewhere between the House and Senate numbers because the Presidents' number is not viable. She stressed that this is not a partisan fight in terms of what the right dollar amount should be.

Chairman Wahby asked if there were any further questions; none were forthcoming.

A copy of the presentation is attached.

IV. **OVERSIGHT**

Commission/State Administrative Board Contracts/Agreements (Exhibit A) – Myron Frierson

Mr. Kelley stated that items 5 and 6 were subject to completion of internal review.

Mr. Frierson asked if any member of the Commission had questions on the contracts before them for their approval.

None were forthcoming.

Mr. Frierson asked for approval of Exhibit A.

Chairman Wahby entertained a motion. Motion was made by Commissioner Bender, supported by Commissioner Awrey to approve Exhibit A. Motion carried.

Bid Letting Pre-Approvals (Exhibit A-1) – Myron Frierson

Prior to asking for approval, Mr. Frierson gave a brief re-cap of the bid letting activities. Mr. Frierson stated that the department was continuing to progress with the state program. There were 24 state projects totaling \$51 million (includes 2 large projects—1 in the Detroit area for approximately \$17 million, one in the Kalamazoo area—US-131 north of Kalamazoo—for approximately \$19 million).

Mr. Frierson further reported that for state projects this year we have low bids of \$503 million that compares to low bids of \$524 for this same period last year. The overall program delivery is estimated to be \$700 million in state projects this year. Through May we have let about 75% of that, compared to 77% this time last year.

Mr. Frierson stated that electronic bidding continues to be a success. Ninety-five percent of the bids were submitted electronically.

Mr. Frierson asked the Commission for approval of the bid items for the June 4th letting (92 projects totaling about \$79 million) in Exhibit A-1.

Mr. Frierson asked for questions; none were forthcoming

Chairman Wahby entertained a motion. Motion was made by Commissioner Awrey to approve the June 4th bid letting. Motion supported by Commissioner Garside and carried on a unanimous voice vote.

Letting Exceptions Agenda (Exhibit A-2) – John Polasek

Mr. Polasek reported that there are five items being submitted for approval. Three state projects and two local projects that are in excess of 10% of the engineers' estimate.

Mr. Polasek asked for questions.

Commissioner Atkinson asked for clarification on the term “non-production paving”.

Mr. Polasek responded that non-production paving is paving that is done in short distances—you start and stop quite a bit because of parking lots and ramp radiuses.

Director Jeff compared it to the difference between a production line and a handmade product.

Commissioner Atkinson stated that what she was trying to process is how that item is not susceptible to accurate estimate or prediction.

Mr. Polasek explained that it is hard for the estimators to predict, that is why it's phrased in that way. He further stated that they look at quarterly reports of unit prices for different types of paving during estimate phase. If there isn't a like-project that has been let, it's hard to find one to glean a unit price from, making it difficult to estimate.

Commissioner Brennan asked for explanation on why the variance is so high for item 3, proposal 0405090 (pg. 2).

Mr. Polasek explained that there are quite a few features to this project (superstructure and deck replacements, abutment and substructure repairs, pier and cap replacement, etc.). He further stated that there were several issues they considered, i.e., because of the schedule, how the contractor proposed to attack the project, and lane rental, which is a figure that is sometimes hard to estimate.

Director Jeff further clarified that this was a particularly complex project due to the fact that it is the I-94/Lodge Interchange and the I-94 Interchange at Grand River by I-96—two very busy interchanges. This means that the department is doing bridge work under extremely heavy traffic loads, in a reasonably creative fashion that lets us maintain traffic while at the same time get the work done.

Commissioner Brennan asked for clarification on the term “lane rental charge”.

Mr. Polasek explained that this is a charge (incentive) if the lanes are not opened on time when they have to be closed for a certain period of time during a project.

No other questions were forthcoming.

Mr. Polasek asked the Commission for approval of Exhibit A-2.

Chairman Wahby entertained a motion. Motion was made by Commissioner Brennan to approve Exhibit A-2. Motion supported by Commissioner Bender and carried on a unanimous voice vote.

Information Items (Exhibit A-3) – Myron Frierson

Mr. Frierson reported that these exhibit items are for information only. There is no action required. For the benefit of the newest Commissioners he explained that the Commission is asked to review and approve items that exceed \$500,000. Bid lettings are approved prior to bidding to expedite the eventual award of the contract. If there are exceptions in terms of those items let, for example, if they exceed 10%, if there is a single bidder, or if there is a low bid rejection for those items in excess of \$500,000, those items are returned to the Commission for approval. For information purposes they include instances for under \$500,000 where there may be a single bidder or low bid rejection.

For this item, however, Mr. Frierson stated that there was a single bidder with the bid being within the engineers' estimate, and was accepted.

Contract Adjustments (Exhibit B) – John Friend

Mr. Friend introduced Ms. Brenda O'Brien who is the Engineer of Construction and Technology for MDOT. She is responsible for the day-to-day operations of that division as well as standards for the state. Ms. O'Brien will be filling in for him during the June meeting in his absence.

Mr. Friend reported that he is asking for approval of 5 projects, making special note of Extra #2004-33. Part of the extras he is seeking approval on is close to \$47,000. Of that amount \$42,000 is made up of two truck mounted attenuators (the crash devices that are mounted on the back of trucks). On this contract both of the truck mounted attenuators were hit and destroyed. MDOT is obligated to replace those as part of the contract. Mr. Friend explained that had it not been for these crash devices there would have been fatalities.

Director Jeff stated that we are replacing vehicles that save lives of not only members of Team MDOT, but members of the contracting community as well. These are vehicles that, for lack of a better term, serve as the shock absorbers when there is an invasion into a work zone or in this case a paving convoy.

Mr. Friend asked for questions; none were forthcoming.

Mr. Friend asked the Commission for approval of Exhibit B.

Chairman Wahby entertained a motion for the approval of Exhibit B. Motion was made by Commissioner Awrey and supported by Commissioner Bender to approve Exhibit B. The motion carried on a unanimous voice vote.

V. **PRESENTATIONS**

Present Resolution of Appreciation 2004-3 to Commissioner Lowell B. Jackson

Chairman Wahby and Director Jeff read and presented Mr. Jackson with a plaque of this resolution for his valuable contributions to the STC for over six years. Director Jeff personally thanked Mr. Jackson for being the standard by which Team MDOT prepared their presentations to the Commission. She also thanked him for making her job with MDOT easier, challenging and fun, but mostly for helping to make MDOT a better quality organization.

Mr. Jackson gave brief comments thanking the members of the Commission for contributing to a very pleasant six year experience with MDOT.

Present Resolution of Appreciation 2004-4 to Commissioner C. Robert Baillod

Chairman Wahby and Director Jeff read and presented Mr. Baillod with a plaque of his resolution for his valuable contributions to the STC for two years. Director Jeff personally thanked Mr. Baillod for bringing an abundance of insight and creativity to the Commission. She also thanked him for making the department think about things in ways they never had, which aided them in improving their quality as an organization.

Mr. Baillod gave brief comments thanking the members of the Commission for contributing to his exciting tenure as Commissioner.

Chairman Wahby stated that the Commission is very proud and grateful for having had these two individuals as part of our Commission.

VI. **PUBLIC COMMENTS**

Chairman Wahby asked if anyone wanted to address the Commission with public comments.

Mr. Don Beavers, Village Manager for Constantine and a member of the US-131 Area Development Association, gave brief comments urging the Commission to positively consider a US-131 limited access highway from Portage to the Indiana toll road. He stated that the US-131 freeway is not only vital to the safety, welfare and economic development of Constantine, but also the entire southwest portion of Michigan. The Association has worked closely with MDOT in the past, as the Village of Constantine has, and they appreciate the effort that has been made.

Mr. Beavers asked for questions; none were forthcoming.

Chairman Wahby asked if there were any other public comments; none were forthcoming.

Chairman Wahby asked if any member of the Commission had comments; none were forthcoming.

Commissioner Garside stated that he has enjoyed the years he has worked with Mr. Jackson and Mr. Baillod, and congratulated them again on their years of service to the Commission.

ADJOURNMENT

There being no further business to come before the Commission, the Chairman declared the meeting adjourned at 10:00 a.m.

The next full meeting of the Michigan State Transportation Commission will be held in Lansing, Michigan, on June 24, 2004, commencing at the hour of 9:00 a.m.

Frank E. Kelley
Commission Advisor